

Exhibit 38:

**Previously filed under seal as Ex. 37 to
N. Sugnet Declaration (Docket No. 129)**

From: Neuberger, Andrew (FID) <Andrew.Neuberger@morganstanley.com>
Sent: Monday, March 28, 2005 5:11 PM
To: Goodman, Deborah (FID)
Subject: FW: 40 year loan - NEW CENTURY

Andrew Neuberger - Managing Director
Morgan Stanley | Fixed Income
1221 Ave of the Americas | Floor 27
New York, NY 10020
Phone: +1 212 762-6401
Fax: +1 212 507-4137
Andrew.Neuberger@morganstanley.com

-----Original Message-----

From: Shapiro, Steven (FID)
Sent: Monday, March 21, 2005 10:59 AM
To: Neuberger, Andrew (FID)
Cc: Najarian, Paul (FID)
Subject: RE: 40 year loan - NEW CENTURY

Andy / Paul,

40 year loans have been the hot topic with many of the subprime originators. We have had recent inquiry from both Accredited and WMC on the topic so it does not surprise me that New Century is also asking. There are basically 2 types of products that people are considering:

- 1- 40 year amortization / 40 year loan
- 2- 40 year amortization / 30 year loan (balloons at year 30)

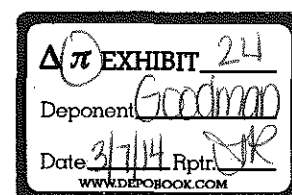
We are ok with either loan but prefer the balloon loan. The reason is that many of the CDOs that are buying the subordinates on are deals have legal final restrictions of 30 years on the deals that they are buying. The 40/40 product would require a 40 year legal final for securitization purposes and would impact the liquidity from the CDOs. I am ok with us financing either type of product and we will buy either type of product but when we speak to originators we are pushing them toward the balloon product because we think it has more long term liquidity.

Steven

-----Original Message-----

From: Neuberger, Andrew (FID)
Sent: Sunday, March 20, 2005 3:20 PM
To: Shapiro, Steven (FID)
Cc: Najarian, Paul (FID)
Subject: Fw: 40 year loan - NEW CENTURY

Shippy:



Please let me know if this product is ok to put on the line and if on the principal side you would limit this type of loan so I can see whether or not we want to have a sublimit.

Thanks

Sent from my BlackBerry Wireless Handheld

-----Original Message-----

From: Najarian, Paul (FID) <Paul.Najarian@morganstanley.com>
To: Neuberger, Andrew (FID) <Andrew.Neuberger@morganstanley.com>;
Goodman, Deborah (FID) <Deborah.Goodman@morganstanley.com>; Patten, Alison (FID)
<Alison.Patten@morganstanley.com>
Sent: Sat Mar 19 08:38:38 2005
Subject: Fw: 40 year loan - NEW CENTURY

Andy, are you handling or do you want one of us to handle?.....

Sent from my BlackBerry Wireless Handheld

-----Original Message-----

From: Rick Holguin <RHolguin@ncen.com>
To: Najarian, Paul (FID) <Paul.Najarian@morganstanley.com>
CC: Jeremy Hayden <JHayden@ncen.com>
Sent: Fri Mar 18 19:02:20 2005
Subject: 40 year loan

Paul -

We are going to be rolling out a new loan product that will have a 40 year amortization. It will be for both fixed and ARM loans. The products will be:

40 fixed rate loan
2yr hybrid (2/38); and
3yr hybrid (3/37)

Under the current loan level representations, the maximum amortization is 30 years. I wanted to find out to how best we go about addressing this so that we can get the loans financed on your line.

Thanks!

Rick